

FISCAL NOTE

HB 1148 - SB 1347

April 8, 2003

SUMMARY OF BILL: Requires that TennCare enrollees have unrestricted access to medication for diabetes, cancer, HIV/AIDs or mental illness.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$1,000,000

Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$2,000,000

Under current procedures in TennCare, prior authorization must be received for certain drugs, including some covered by this bill. Enrollees must use lower cost drugs until they are unsuccessful when a higher priced alternative may be approved. Allowing unfettered access to drugs will increase pharmacy costs in the TennCare program. The amount cannot be determined but is estimated to exceed \$3,000,000.

Current plans in the TennCare program are to implement a preferred drug list (PDL). This bill would prevent future savings by allowing unlimited access to drugs not on the PDL.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director